



Department of Veterans Affairs
6900 Alameda Road
Houston, Texas 77030-4200
Toll Free 1.888.232.2571
National Web Site www.homeloans.va.gov
Local Web Site www.vba.va.gov/ro/houston/1gy/home.htm

BULLETIN NO. 2005-01

February 15, 2005

TO: ALL LENDERS, SARS, HOLDERS AND SERVICERS

**SUBJ: CLAIMS UNDER LOAN GUARANTY AND MAXIMUM AMOUNTS
REIMBURSED FOR EXPENSES**

Purpose

This bulletin changes all references to our web site to reflect a new address, clarifies reimbursement for the cost of notice to original veteran-borrowers and other liable obligors, and announces changes to the maximum amounts that this Regional Loan Center (RLC) will reimburse on the claim for the expenses associated with the termination of VA loans in **Arkansas, Louisiana, Oklahoma, and Texas**. This RLC now reimburses for the actual cost of the title search on loans in Texas not to exceed \$150.00. Servicers are no longer required to provide a copy of the title search with VA Form 26-8903, Notice for Election to Convey and/or Invoice for Transfer of Property to VA in order to obtain reimbursement. Tax certificates are no longer required by this office, and we no longer reimburse for the cost of a certificate.

It is not our intent to regulate the amounts that holders and servicers pay for servicing and liquidating mortgage loans. Our purpose is to specify the maximum amounts that will be reimbursed by this RLC.

Effective Date

The changes in this bulletin except for bankruptcy release expenses are effective immediately. The bankruptcy release expenses are effective for bankruptcy cases completed on or after October 1, 2001.

When To Submit The Claim

Claims should be submitted to VA as soon as possible following termination of the loan. Generally, a claim should not be submitted until all expenses involved with terminating the loan have been paid. If taxes are due and payable within 30 days after the date of conveyance or transfer of the property to VA, the holder must pay the taxes (See 38 CFR 36.4320(h)). Holders may submit supplemental claims for items omitted from the original claim or disallowed by VA due to insufficient documentation. Please see the paragraph below for more information about supplemental claims.

Claim Forms

A properly completed VA Form 26-1874 is required so that VA will have the necessary information on which to base its computation of the claim. Care should be taken to see that the claim form is completed in detail in accordance with the instructions on the form and that it is properly certified and dated before submission to the RLC together with the required supporting documents.

VA Form 26-1874a, Claim Form Addendum - Adjustable Rate Mortgages was created to assist holders in supplying required additional information to VA on ARM loans. This form must be submitted to VA with VA Form 26-1874 unless it was provided with VA 26-567 to obtain foreclosure bidding instructions.

The latest versions of the claim forms discussed above are available at our website,

www.vba.va.gov/ro/houston/lgy/home.html.

Documents Required With The Claim Form

The documents listed below must be submitted with VA Form 26-1874. **Forward all documents in one package. Incomplete packages can not be processed and will be returned.**

1. Copy of the payment history from the inception of the loan or at a minimum from the date of default or the date of the first advance that is claimed in Item 12 of VA Form 26-1874 if it is earlier than the date of default.
2. Copy of the paid and itemized receipt for each advance or liquidation expense claimed in Items 12 and 13 of VA Form 26-1874.
3. Copies of all deeds transferring title from the original veteran-obligor through the owner holding title at liquidation.
4. Bankruptcy docket report or equivalent (if applicable).
5. Copy of the Substitute Trustee's/Trustee's or Sheriff's deed or Confirmation of Sale showing the amount bid at the sale when the property is not conveyed to VA.

Additional Documents Which May Be Required

In some situations, additional documents are required. Claim payments will be delayed or reduced unless these additional documents are submitted with the claim package when appropriate.

1. When the original veteran is not the current owner of the property, the original Deed of Trust Note or Mortgage Note endorsed to the Secretary of Veterans Affairs, or a copy with a lost note affidavit indemnifying the Secretary of Veterans Affairs will be required. For Louisiana loans, a copy of the note is sufficient. The lost note affidavit is not required.
2. A copy of the recorded deed from the holder to VA when a deed in lieu of foreclosure has been accepted.
3. When a deficiency judgment is obtained, provide the original, recorded document assigning the judgment to the Secretary of Veterans Affairs.
4. Copy of each notice sent to a liable obligor pursuant to 38 CFR 36.4317 when claiming the \$10 liquidation expense.

Disclaimer

There will be cases when documents other than those listed will be required in order to determine whether or not reimbursement for an item is appropriate. When a decision can not be made based on the information available, servicers will be contacted by telephone or e-mail and given an opportunity to submit the additional documentation. If the information is not received timely, reimbursement for that item will be disallowed, or the claim will be returned without processing. Please provide a name, telephone number, and e-mail address on VA Form 26-1874.

Mail The Complete Claim Package To:

VA Regional Office
Loan Administration Section (264)
6900 Alameda Road
Houston, TX 77030-4200

Maximum Amounts Reimbursed By VA

Please see Attachment A.

Property Preservation

Our policy for the protection and preservation of vacant properties securing VA guaranteed loans in

Arkansas, Louisiana, Oklahoma, and Texas is set forth in a separate bulletin, which is released annually. The bulletin states the minimum requirements for inspections and securing of property and specifies the amounts that will be reimbursed by this RLC. For a copy of the current bulletin, visit www.vba.va.gov/ro/houston/lgy/home.html.

Supplemental Claims

Submit supplemental claims as soon as possible. When requesting reimbursement for an item that was disallowed on the original claim, please explain why you think the item or additional amount should be allowed. A copy of the itemized invoice and paid receipt or other evidence necessary to support the request for reimbursement is required.

Questions And Comments

Please e-mail questions and comments concerning this bulletin to LGYHGALE@vba.va.gov.

Rescission

This bulletin rescinds RLC Bulletin No. 2003-12 dated October 28, 2003.

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R. BIAGIOLI
Loan Guaranty Officer

Attachment

Attachment A

	TX	AR	LA	OK
PROPERTY COSTS				
Boarding Window/Door	\$35	Same	Same	Same
Boarding Patio Door	\$60	Same	Same	Same
Door Lock	\$45	Same	Same	Same
Debris Removal (Not to exceed \$300)	\$25 cu. yd.	Same	Same	Same
Dump Fee	Actual Cost	Same	Same	Same
Refrigerator Removal (Not to exceed \$75)	Actual Cost	Same	Same	Same
Lawn Care	\$75	Same	Same	Same
Pool - In Ground (Secure & fence repair)	\$750	Same	Same	Same
Pool - Above Ground (Drain & remove)	\$100	Same	Same	Same
Pool - Fence Gate Hasp and Padlock	\$30	Same	Same	Same
Portable Hot Tub and Spa (Drain)	\$75	Same	Same	Same
Winterization	\$55	Same	Same	Same
Property Inspections - Initial	\$25	Same	Same	Same
Property Inspections - Subsequent	\$15	Same	Same	Same
Roof - Patch (Not to exceed \$300)	Actual Cost	Same	Same	Same
Roof - Cover (Square = 100 square feet)	\$10 a sq.	Same	Same	Same
LEGAL FEES/COURT COSTS				
Judicial Foreclosure (NTE \$850)	N/A	\$750	\$850	\$850
Non-judicial Foreclosure (NTE \$850)	\$550	\$600	N/A	N/A
Deed in Lieu	\$350	Same	Same	Same
Court Filing Fees	Actual Cost	Same	Same	Same
Bankruptcy				
Release Chapter 7 (NTE \$450)	Actual Cost	Same	Same	Same
Release Chapters 11 & 13 (NTE \$650)	Actual Cost	Same	Same	Same
Each Additional Release	\$250	Same	Same	Same
Bankruptcy Filing Fee	\$150	Same	Same	Same
Personal Appearance (Relief prior to 10/1/01)	\$100	Same	Same	Same
Eviction/Writ of Assistance	\$250	N/A	N/A	\$150
LIQUIDATION EXPENSES				
Abstract or Title Policy	State Rate \$5 per \$1,000	Actual Cost	Actual Cost	
Title Opinion	N/A	N/A	N/A	\$250
Title Search	Actual Cost NTE \$150	\$225	\$50	N/A
Liquidation Appraisals (single family)	Hou \$325/Waco \$350	\$300	\$350	\$350
Notice of Intent to Foreclose (per obligor)	\$10	Same	Same	Same
Certified Mail Fees for Foreclosure Actions	Actual Cost	Actual Cost	N/A	Actual Cost
Filing Notice of Sale	Actual Cost	N/A	N/A	N/A
Posting Notice of Sale	N/A	\$250	N/A	N/A
Mennonite Notices	N/A	N/A	\$7.50	N/A
Personal Service (per obligor)	N/A	\$25	N/A	Actual Cost
Publication - Newspaper Invoice	N/A	Actual Cost	N/A	N/A
Publication - Internet Invoice (NTE \$150)	N/A	Actual Cost	N/A	N/A
Sheriff's Costs & Commission	N/A	Actual Cost	Actual Cost	N/A
Documentary Tax (Orleans Parish only)	N/A	N/A	\$325	N/A
Curator Fee	N/A	N/A	\$200	N/A
Auctioneer's Fee	N/A	\$250	N/A	N/A

Recording Fees	Actual Cost	Same	Same	Same
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NOTE: For complete information and instructions and special conditions which may apply, please refer to Houston RLC Bulletins covering Claims Under Loan Guaranty and Property Inspections and Preservation. All Houston RLC Bulletins can be viewed at www.vba.va.gov/ro/houston/lgy/home.html.